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Bush's Iraqi Blunder

This is the story of George Bush's dealing with Saddam Hussein — until Iraq invaded Kuwait. It is a tale of deception and self-deception, of realism gone awry and/or of gross carelessness.

In 1984, President Reagan signed a still top secret directive that officials interpreted as follows: "Do anything and everything" to help Iraq in the war against Iran. Saddam had started the war. But Iran was winning and threatening to dominate the Persian Gulf, and had to be stopped.

The Reagan strategy was realistic and justifiable — combat first threats, first. Now known: the U.S. gave Saddam vital battlefield intelligence and encouraged third-country arms sales and aid. Not well known: Saddam sucked the U.S. in further by tipping off C.I.A. operatives about anti-Western terrorists.

While Saddam was double-crossing his fellow terrorists, Ronald Reagan was double-dealing the Iraqi. He gave arms to Iran in return for American hostages. Vice President Bush pushed reluctant U.S. agencies to get with the policy to aid Iraq.

Iran and Iraq stopped fighting in August 1988. Iran was in shambles, and the old strategic rationale faded with the war. Yet, Mr. Bush became President and aid to Iraq continued much as before.

The Bush team knew that Saddam sponsored terrorism and had megalomaniacal ambitions. But they believed they had to work with him because Iraq had become the dominant power in the region. And they thought they could tame him with aid and diplomatic stroking — because he was a "realist" with whom fellow realists could do business. But then . . .

In August 1989, the Feds raided an Atlanta branch of an Italian bank. They found overwhelming evidence that top Iraqi officials close to Saddam had been engaged in a $4 billion fraud.

By October, the U.S. Customs Services showed that this money probably had been used to buy missile and chemical weapons-related technology. Prosecutors envisioned quick indictments. (Justice Department officials in Washington intervened, slowed things down and did not bring indictments until 1991, after Desert Storm. Curious.)

A State Department memo of Oct. 13, 1989, noted Agriculture Department fears that the U.S. food aid program to Iraq had been thoroughly corrupted by Iraqi officials. The memo also mentioned signs that Iraq had used these funds "to procure nuclear-related equipment."

The C.I.A. had firm reports of continuing Iraqi genocide against the Kurds, including attacks with chemical weapons.

In the face of all this, Mr. Bush issued the still-secret National Security Directive 26 of October mandating that the U.S. "improve and expand our relationship with Iraq."

State used this directive to beat down widespread opposition within the Administration to giving Iraq $1 billion in new credits to buy food. State's rationale was that Saddam was the key to U.S. policy in the region, and that he was a major and irreplaceable food customer.

In November, Congress cited the Kurdish situation and barred new Export-Import Bank loan guarantees to Iraq without a Presidential waiver. Mr. Bush signed the waiver.

U.S. intelligence information continued to flow to Iraq until March 1990. (Surely the C.I.A. noticed Iraqi ships unloading U.S. food in East Europe and picking up arms.)

Prewar victim of his own 'realism.'

At about that time, Saddam began to make bitterly anti-American and warlike speeches. Bush officials worried. But never did the President tell Saddam: Don't use force.

As Saddam's forces gathered on the Kuwait border, the Senate voted to stop further loans to Saddam because of human rights violations. The White House vigorously opposed the ban.

Just before Saddam struck Kuwait on July 31, Mr. Bush sent him this message: "We believe that differences are best resolved by peaceful means."

To Mr. Bush, the slaughter of the Kurds seemed not to matter. Nor Iraqi thievery, fraud or a massive military buildup throughout this period. Saddam had power, and Mr. Bush felt confident he knew how to deal with such men — with goodies and respect.

My colleague Bill Safire has long called for investigations into possible Administration criminality and cover-up. And for weeks now, Henry Gonzalez has been trying to tell this story to his colleagues in the House. Washington, petrified by scandal and politics, gazes on indifferently. □